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FILED

4-6-04

Division of Consumer Affairs

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STATE OF NEW JERSEY
DEPARTMENT OF LAW & PUBLIC SAFETY
DIVISION OF CONSUMER AFFAIRS

IN THE MATTER OF :
GALLERIA ROUTE ONE :
CORPORATION d/b/a SANSONE'S :
ROUTE 1 MAZDA, ROUTE 1 MAZDA :
WOODBIDGE, ROUTE 1 GMC :
TRUCKS WOODBRIDGE, SANSONE :
MAZDA-GMC, SANSONE AUTO :
GALLERIA, SANSONE PLAZA DODGE, :
INC., SANSONE CHEVROLET, :
SANSONE NISSAN, SANSONE :
HYUNDAI, ROUTE ONE TOYOTA, :
PLAZA NISSAN FORD and :
PAUL SANSONE, JR., :
PRESIDENT/PRINCIPAL :

Administrative Action

CONSENT ORDER

This matter having been opened by the Division of Consumer Affairs, Office of Consumer Protection (hereinafter referred to as the "Division"), as an investigation in order to ascertain whether violations of the New Jersey Consumer Fraud Act, N.J.S.A. 56:8-1 et seq. ("CFA") and/or the regulations promulgated thereunder, N.J.A.C. 13:45A-1.1 et seq. ("Regulations"), have been or are being committed by Galleria Route One Corporation d/b/a Sansone's Route 1 Mazda, Route 1

Mazda Woodbridge, Route 1 GMC Trucks Woodbridge, Sansone Mazda-GMC, Sansone Auto Galleria, Sansone Plaza Dodge, Inc., Sansone Chevrolet, Sansone Nissan, Sansone Hyundai, Route 1 Toyota and Plaza Nissan Ford, its owners, officers, directors, employees, representatives, agents, assigns and/or independent contractors (hereinafter collectively referred to as "Respondents"), and it appearing that the Division and Respondents (collectively referred to as "Parties") have reached an amicable agreement resolving the issues in controversy and concluding this matter without the need for further action, and Respondents having voluntarily cooperated with the Division's investigation and consented to the entry of the within order (hereinafter "Consent Order") without having admitted any violation of law or finding of fact, and for good cause shown,

IT IS on this 6th day of April, 2004 **ORDERED** and **AGREED** as follows:

1. BUSINESS PRACTICES

1.1 Respondents shall comply in all material respects with all state and/or federal laws, rules and regulations as now constituted or as may hereafter be amended including, but not limited to, the CFA and the Regulations, which are applicable to all future sales, leasing, advertising and/or repair of motor vehicles.

1.2 Respondents shall not engage in any unfair and/or deceptive acts or practices in violation of the CFA and the Regulations including, but not limited to, the following acts and/or practices:

- a. Respondents shall not sell a vehicle that does not have a true and accurate odometer reading without disclosing such a fact to the consumer;

- b. Respondents shall not misrepresent the odometer reading of a motor vehicle on any document provided to a consumer;
- c. Respondents shall not require consumers to sign blank documents;
- d. Respondents shall not misrepresent the mechanical condition of used motor vehicles;
- e. Respondents shall not fail to disclose, prior to sale, any material defect in the mechanical condition of used motor vehicles;
- f. Respondents shall not fail to disclose, prior to sale, any prior use of a motor vehicle including, but not limited to, use as a dealer demonstration vehicle, a service department loan vehicle, and/or a rental vehicle;
- g. Respondents shall not fail to disclose that a motor vehicle has been previously damaged and/or that substantial repair or body work has been performed on it when Respondents knew or should have known of such prior damage and/or substantial repair or body work;
- h. Respondents shall not fail to disclose and/or misrepresent the terms of any written warranty covering a motor vehicle at the time of sale;
- i. Respondents shall not charge fees for the performance of any documentary service without first itemizing the actual documentary service which is being performed and setting forth in writing on the sales document the price for each specific documentary service, as required by N.J.A.C. 13:45A-26B(a)(2);
- j. Respondent shall not represent to a consumer that a governmental entity requires Respondent to perform any documentary service, as required by N.J.A.C. 13:45A-26B(a)(2) ;

- k. Respondents shall not issue more than one temporary tag for each motor vehicle purchased or leased from Respondents;
- l. Respondents shall not fail to disclose in a motor vehicle advertisement that a motor vehicle has been previously damaged and/or that substantial repair or body work has been performed on it when Respondents knew or should have known of such prior damage and/or substantial repair or body work;
- m. Respondents shall not fail to disclose in a motor vehicle advertisement any prior use of a motor vehicle including, but not limited to, use as a dealer demonstration vehicle, a service department loan vehicle and/or rental vehicle; and
- n. Respondents shall not fail to disclose in a motor vehicle advertisement all disclaimers, qualifiers or limitations that in fact limit, condition or negate a purported unconditional offer including, but not limited to a rebate offer, as required by N.J.A.C. 13:45A-26A.7(a)(4.).

1.3 Respondents shall comply with the CFA and the Regulations in the conduct of their business in the State of New Jersey (the "State") including, but not limited to the following:

- a. Respondents shall disclose all material terms of the transaction to consumers;
- b. Respondents shall honor all terms of any agreements or deals negotiated with consumers;
- c. Respondents shall provide consumers with the opportunity to review all documents prior to signing;
- d. Respondents shall contemporaneously provide copies of any and all documents signed by consumers;

- e. Respondents shall only charge consumers the actual New Jersey Division of Motor Vehicle ("DMV") fees required to register/title a purchased or leased motor vehicle. Within ten (10) days of the payment of actual DMV fees, Respondents shall forward to consumers the DMV proof of payment together with either a refund to the consumer of any amount paid above the actual DMV fees or a bill to the consumer for any uncollected DMV fees;
- f. Respondents shall provide to the consumer motor vehicle documentation including, but not limited to title and/or registration, within twenty (20) days of purchase and/or lease of a motor vehicle;
- g. Respondents shall honor all advertisements for services offered;
- h. Respondents shall provide all minimum warranties required by the Used Car Lemon Law provisions of the CFA, N.J.S.A 56:8-69 et seq.;
- i. Respondents shall post the Used Car Buyers Guide in the appropriate location, as mandated by N.J.A.C. 13:45A-26A.9(a)(3);
- j. Respondents shall fully and accurately complete the RBO at the time the transaction is consummated with the consumer and shall make certain that the consumer signs the RBO in all necessary places including, but not limited to, the verbal commitment paragraph that is included in the RBO;
- k. In any advertisement offering a new motor vehicle for sale at an advertised price, Respondents shall include the statement that "price(s) include(s) all costs to be paid by a consumer, except for licensing costs, registration fees and taxes", in at least ten-point type, as required by N.J.A.C. 13:45A-26A.5(a)(2.); and

1. In any advertisement offering a new or used motor vehicle for lease at an advertised price, Respondents shall include the number, amounts, due dates or periods of scheduled payments and the total of such payments under the lease, in at least ten-point type, as required by N.J.A.C. 13:45A-26A.6(a)(3.).

2. RESTITUTION

2.1 Within fifteen (15) days of the Effective Date, the Division will forward to Respondents a list identifying all currently outstanding consumer complaints (hereinafter referred to as the "Consumers"). Within thirty (30) days of the Effective Date, Respondents, jointly and severally, shall pay restitution pursuant to N.J.S.A. 56:8-8 to the consumers in the total amount of \$30,813.63 (hereinafter referred to as the "Restitution Amount") and provide to the Division written proof as to each consumer to whom Respondent has paid restitution and/or undertaken corrective action. Upon verification by the Division that Respondent has resolved the consumer complaint, the consumer complaint shall be deemed closed by the Division's Office of Consumer Protection ("OCP").

2.2 Respondents shall make the individual restitution payments to the Consumers by certified check, cashier's check, attorney's trust check or money order. Respondents shall forward the payments directly to the Consumers. Respondents shall simultaneously forward a copy of the payment and any accompanying documents sent to each Consumer to the following: New Jersey Division of Consumer Affairs, Office of Consumer Protection, Attention: Auto Unit Supervisor, 124 Halsey Street, P.O. Box 45025, Newark, New Jersey 01701.

3. FUTURE CONSUMER COMPLAINTS

3.1 The Division shall forward to Respondents copies of any consumer complaints received by the Division or forwarded to the Division by any county or municipal CALA office. The Division shall forward to Respondents the complaints of such consumers ("Additional Consumers") within thirty (30) days of the Division's receipt thereof.

3.2 The Division shall notify the Additional Consumers, in writing, of the following: (a) that their complaints have been forwarded to Respondents; (b) that they should expect a response from Respondents within thirty (30) days; and (c) their right to refer their complaints to the Alternative Dispute Resolution ("ADR") Unit of the Division for binding arbitration if Respondents dispute the complaint and/or requested relief.

3.3 Within thirty (30) days of receiving the Additional Consumer complaint from the Division, Respondents shall send a written response to each Additional Consumer, with a copy to the following: New Jersey Division of Consumer Affairs, Office of Consumer Protection, Attention: Case Management Tracking Supervisor, 124 Halsey Street, P.O. Box 45025, Newark, New Jersey 07101.

3.4 If Respondents do not dispute the Additional Consumer's complaint and requested relief, Respondents' written response shall so inform the Additional Consumer. Respondents shall contemporaneously forward to such Additional Consumer the appropriate restitution as well as all necessary documents.

3.5 If Respondents dispute the Additional Consumer's complaint and/or the requested relief, Respondent's written response shall include copies of all documents concerning Respondents' dispute of the complaint.